

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 64 - SB 1902

March 3, 2009

SUMMARY OF BILL: Sets a minimum wage for tipped employees at \$6.55 per hour and allows a maximum tip credit of 50 percent of that wage or \$3.275 per hour. Under the Fair Labor Standards Act (FSLA), a tipped employee is defined as one engaged in an occupation in which more than \$30 is regularly received in tips.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – Not Significant
Increase State Expenditures – Not Significant**

**Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant**

Assumptions:

- According to the Department of Labor and Workforce Development, they would not be responsible for enforcing the provisions of this bill.
- Employees may file lawsuits against employers for violations of the minimum wage requirements of this bill.
- Some increase in cases in the court system which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes, and costs collected. However, such increases will not be significant.
- The bill will not apply to state government employees since the definition of *employer* does not include the State of Tennessee.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/cce